

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

OCTOBER 19, 2009

1. CALL TO ORDER

EDA Vice-President Dan Duffy called the meeting to order at 6:00 p.m.

2. ROLL CALL

EDA commissioners present: Ellen Cousins, Dan Duffy, Bunny Robinson, Tony Wagner, Brad Wiersum, and Bill Yaeger. Peter St. Peter was absent.

Staff present: Julie Wischnack and Elise Durbin.

3. APPROVE AUGUST 17, 2009 MEETING MINUTES

Wiersum moved, Wagner seconded a motion to approve the August 17, 2009 meeting minutes with the addition of "and a 12-month extension could be requested" to page 2, second paragraph. Wagner, Wiersum, Yaeger, Cousins, Duffy, and Robinson voted yes. St. Peter was absent. Motion passed.

4. 2010 NON-PROFIT FUNDING

Durbin gave the staff report.

Wiersum asked for an explanation of the federal funding process for Community Development Block Grant (CDBG) funds. He asked if the funds would decrease or increase from the estimate of \$28,000. Durbin has been keeping track of what is going on at the federal level, and is not anticipate a large increase in funds. The last year had a \$1,500 increase from the previous year.

St. Peter joined the meeting at 6:10 p.m.

Wagner asked if any funds from 2009 are left over to be added to 2010. Durbin answered in the negative.

Wiersum read that only a portion of funds allocated to another agency was disbursed to the other agency. Durbin explained that the organization makes a request when it is ready to access the funds. Many organizations request funds in segments rather than the full amount at once. Documentation must be provided to justify disbursement of funds.

Jessie Hendel, director of family services for CommonBond Communities, stated that their mission is to provide affordable housing as a stepping stone to success. It does that by providing housing for families, seniors and people with special needs. CommonBond has 105 affordable housing communities consisting of 5,000 units and 8,000 residents. She stated that the city has supported Crown Ridge for the last 5 years by supporting the services provided by CommonBond through its onsite advantage center. The advantage center provides a variety of services including youth programs and study buddies. Study buddies matches a community volunteer with a youth who meet for 1.5 hours a week and do academic activities, enrichment, and other sorts of relationship-building activities. This year, one highlight of study buddies includes implementing math and reading assessments as a way for mentors to better understand the needs. The youth programs have an expanded partnership with Camp Fire USA. This year, there will be a Camp Fire Club two days a week instead of one day a week held previously. The organization also had a very successful national night out. Sixty-eight residents attended, the fire department visited, and children jumped in a bounce house.

Wagner noted that 17 out of 20 students achieved grade level promotion. He asked Ms. Hendel to explain what grade level promotion means. Ms. Hendel explained that parents and teachers are contacted to determine if the student will proceed to the next grade in the fall.

Wagner noted that CommonBond has submitted an application for a Department of Justice Grant, and asked for an update. Ms. Hendel responded that she learned two weeks ago the organization did not receive the grant. There were three awards in the state. The organization continues to be a grantee of the U.S. Department of Education on a similar project, but that is focused on the east metropolitan area. General Mills continues to provide a committed gift. There is a proposal being considered by the Donaldson Foundation for a similar youth-services request. There is also a letter of inquiry to the Northwest Area Foundation.

Yaeger asked if the requested funds are for the Study Buddies and Camp Fire programs. Ms. Hendel stated the funds would fund the overall advantage services which would include youth programs, as well as provide open computer access for residents in a monitored computer lab, community-building activities, individual services by use of one-on-one coordination with assistance to gain financial assistance, and one-on-one help with employment.

Wiersum asked how many of the 136 residents of Crown Ridge benefit from the programs. Ms. Hendel responded 63 percent. The site has a good amount of turnover, and the average length of stay is three years. They are working on ways to do more resident out reach.

Duffy noted that 45 percent of residents are under the age of five. He asked if there are early-education programs. Ms. Hendel stated that there are not currently early-education programs on site. The ECFE program of Hopkins School District was on site for several years, but attendance had declined as more of the parents started working. Oak Knoll Church has provided scholarships for children to attend their preschool. She estimated seven kids are attending the preschool. She continues to have discussions with Hopkins School District personnel to bring ECFE back to the site. The organization has piloted some reading circles, but the participation during the day has been low since parents are working.

Cousins asked if the organization is going to hire a new program manager. Ms. Hendel clarified that Crown Ridge has a program manager.

St. Peter noted that Resource West, YMCA, and CAPSH have free programs that would benefit the residents of Crown Ridge.

Janet Lindbo, Executive Director of West Hennepin Affordable Housing Land Trust (WHAHLT), doing business as Homes Within Reach, thanked commissioners for the opportunity to request funds and appreciated the city's partnership for the past seven years. It has made a difference in the lives of those who reside in Minnetonka. Now nine other communities have the Homes Within Reach program in its community, and have been able to use their financial investment to the best of its ability as well as provide affordable, long-term homeownership. As of today, Minnetonka has collaborated with acquiring 37 homes. In doing so, the lives of over 130 people have benefited. Ninety-nine years is long, but that is one of the gifts of the program. It will likely assist anywhere from 16 to 24 households through the life of one lease. That supports the two major components of promoting homeownership and protecting the public's investment in affordable housing.

Wagner asked what the impact on staff time would be to pursue the foreclosure work-out option. He asked if it would negatively impact how many homes could be acquired in 2010. Ms. Lindbo stated the biggest issues with working on the foreclosure piece is working with CAPSH to be able to get it at a point in which it is a loan modification, and also whether the banks will accept a land trust. Many of the homes are MHFA-financed homes and they would welcome a land trust. CAPSH has given her a list of approximately 24 Minnetonka families. One has been done and it went extremely well, and the reason to do it she said came from Commissioner Duffy's comment last year. The key is for the land trust to act prior to the foreclosure sale. The goal is to educate and work with a homeowner and mortgager willing to participate with the land trust.

Wiersum asked how the housing crisis changed what WHAHLT is doing and what is she finding in terms of buyers. He wondered if buyers are scared or just as eager as ever to find a residence in Minnetonka. Ms. Lindbo responded that

people want a home, and the numbers in the application pool are about the same. The issue is whether they are considered credit worthy based on all of the underwriting changes that have taken place. With all of the changes with underwriting and the back and forth, if a buyer changes jobs within the same corporation, then that could mean not being approved for a mortgage for 12 to 24 months. Most of WHAHLT homeowners worked over 6 months to qualify for a mortgage.

Duffy appreciated the work with the foreclosures. He asked if the drop in home values has made a difference this year compared to last year. Ms. Lindbo saw a difference from three or four years ago. Before, if she was not at the door giving an offer with 10 other people, then she would lose out. Now she has time to negotiate. Land costs are not decreasing significantly though. The homes she purchases are between \$200,000 and \$240,000. Something she would have purchased for \$230,000 is selling for \$219,000. People still have a very inflated impression of the value of their home. They think it is worth a lot more and that it is their retirement fund. All of the changes in the market place will take a while for people to see and accept.

In response to Wagner's question, Durbin responded that the requests have administrative costs associated with them. Commissioners may use their discretion when evaluating them.

Judy Elling, Executive Director of ResourceWest, stated that the organization has gone through many changes, but the main component of the program, information and referral, is still the same. ResourceWest partners with many agencies serving the same clientele including Hennepin County, cities of Minnetonka, Excelsior, Hopkins, ICA, Minnetonka Heights, the two school districts, and many other people. ResourceWest received 6,700 phone calls and walk ins for people looking for resources for dealing with eviction down to assistance with enrolling a child for school last year. There is one-to-one counseling to find out a client's need and pair them with the resources available. One of the new programs this year, funded by EDC Foundation, was to open a community technology center. It is fully staffed by volunteers from the community. From January to June over 300 clients utilized the facility. ResourceWest also operates Winter Warm Wear and Toy Chest. Thirty percent of people who participate in these programs live in Minnetonka.

Robinson asked how the organization differentiated itself from other organizations. Ms. Elling stated that ResourceWest only does referrals to ICA, CAPSH, and Hennepin County. It does not do case management. Calls received by United Way 211 are forwarded to ResourceWest. A staff member listens to where the client has visited before, gives them directions, tells them exactly what to expect, gives them an application, and tells them what to bring with them. Workers at ICA, CAPSH, and Hennepin County call ResourceWest to find out where to refer clients.

Wiersum asked how much time is spent with a client and how the demand for services has changed over time. Ms. Elling stated that the amount of time spent with a client varies on the needs of the client. If a person new to the area visits the agency and needs to find a place to live and does not have money for the deposit and does not know where to enroll their child, then a staff member takes the person to a closed room and sits down and talks with them. She may spend 15 minutes or an hour with a client.

Ms. Elling stated that Resource West has been getting a lot of phone calls regarding eviction, foreclosure, paying a high energy bill and the power being turned off, job hunting, and resume writing. People's stress levels are high. Staff has needed to do more calming of clients to get them to relax enough to talk with staff.

Yaeger has always been amazed that ResourceWest has been able to do as much as it does with its budget. He understood that the organization receives in-kind contributions from different places. He asked if she could estimate the dollar amount. Ms. Elling reviewed the list provided inside the grant application. The Hopkins School District provides an in-kind contribution for leasing the office space of \$42,000 per year. A lot of the main programs are done through in-kind contributions. The Back to School program was worth \$31,000 of in-kind contributions from residents who provided 1,025 students with a backpack and school supplies worth an estimated \$30 each. The Winter Warm Wear program provided jackets, boots, snow pants, hat, and mittens valued at \$58,000. The Toy Chest was estimated at \$41,000.

Wagner looked at the 2009 budget and saw some profit left. He asked how the budget for 2010 was going. Ms. Elling responded that 2010 will be tougher. The agency received a lot of in-kind contributions and a grant from the Otto Bremer Foundation in 2009. She anticipated individual contributions, which make up 65 percent of the revenue, will decrease. Administrative staff makes up most of the expenses and consists of 2.75 positions. The agency received a one-time gift from the Hopkins United Methodist Church which was put into the savings account to use as a buffer over the next 2 years in anticipation of decreased giving while the economy starts to recover.

JoAnne Robinson, from the Ridgedale YMCA/Minnetonka Heights Community Enhancement Program, was happy to have the opportunity to request funding and share the good things happening at Minnetonka Heights. She is proud she gets to be on site to make a more comfortable atmosphere and have someone there for clients to talk to when the kids run off the bus. She provides leadership opportunities for immigrants to obtain employment, help a family find a tutor, and work with other organizations to find resources and assistance. She said that ICA has provided numerous care packages for people. A big box of food was provided for children in the summer program for two weeks worth of food. The

Ridgedale YMCA is committed to the program. The needs also keep growing. Families she works with lost entry-level jobs. She helps them find resources to keep their housing and obtain food. She worked with WHAHLT to help a family get information to purchase a home.

Wagner noted that she did a great job of getting funding from other sources. He asked for updates on applications submitted to Park Nicollet and JCPenneys. Ms. Robinson stated that the agency did not receive funds from JCPenneys, but did receive \$15,000 from Park Nicollet. She is continually seeking additional funding.

Wiersum asked how she is finding the fund-raising environment in the current economy. Ms. Robinson said Minnetonka Heights received \$25,000 from United Way and will continue to receive it next year. It helps, but funding is getting so tight that staff will have to be very creative. She is working together with all of the other places to get the needs met.

Duffy agreed, and finding funds from other sources is getting tighter. The need is greater and greater. He asked if programs will have to be cut in 2010. Ms. Robinson hoped programs will not have to be cut. The budget is pretty lean, but the YMCA is committed and she will work with them to find additional funding if this is not fully funded. The need is there and she was optimistic a way will be found to get the funds.

Wagner asked what caused the \$17,000 increase in the budget. Ms. Robinson hoped to expand the after-school and summer programs. She added some for emerging needs, including a tutor.

Kathryn Marshall, Executive Director of the Minnesota Autism Center, passed out packets. Paul Tenison, psychologist who works at the center, introduced himself. Ms. Marshall provided that since she completed the application in August, the occurrence of Autism has increased from 1 in 150 to 1 in 91. It is the largest epidemic across the country for children. Her agency provides therapeutic services across the state, in 28 counties, and helps children from 2 years to 21 years of age. In Minnesota, no other company provides this type of services.

Mr. Tenison described the types of services the organization provides. In Minnetonka, there is a center-based program which services over 20 children who participate in a day-long program. The center also provides assessments for children throughout the state. In-home services are provided by therapists in the client's home. They provides services for over 23 children and plans to continue growing.

Ms. Marshall stated that the therapy is Applied Behavioral Analysis. It is the only research-based therapy for children with Autism that is effective. She said the center was opened in August. Several residents of Minnetonka attend the center.

There are one-on-one therapy rooms that provide a unique setting for children. In addition to that, the agency has several contracts with community centers in Minnetonka to assist with students on the spectrum who are very severe. She and Mr. Tenison help collaborate with the school to move those children's therapy forward. Mr. Tenison stated that one aspect of the therapy is that the team is headed up by a psychologist.

Duffy heard that 1 in 100 children are diagnosed with Autism. Ms. Marshall stated that 2 weeks ago the statistic was 1 in 91 children. Mr. Tenison said that another alarming statistic is every 1 in 67 boys has Autism. Treatment teams consist of a psychologist, licensed social worker, clinical director, lead therapist, and 4 to 6 behavioral therapists working with each child. There are frequent clinical and team meetings where the child's progress and needs are discussed and treatment plans are updated and renewed. One of the things the agency cannot be reimbursed for is meetings.

Jeanne Swedberg, program coordinator of Minnetonka SCS H.O.M.E. which operates under Senior Community Services, a Minnetonka-based non-profit agency that will be 60 years old next year, thanked staff for the opportunity to speak. H.O.M.E. is an acronym that stands for Household and Outdoor Maintenance for Elderly. Its mission is to help people be able to live in safety and dignity in their homes by giving them the assistance for the kinds of chores that they are no longer able to do. Services the organization provides include housekeeping services, grocery shopping, laundry, snow removal, mowing and trimming, minor home improvements, and painting. These services allow the elderly to remain active in the community and live a high quality of life. She saw a growth in the need of services this year. There are two large volunteer projects in the spring and fall for raking and yard clean up. This year has been different in that the requests have not stopped coming after the spring event. That is attributable in part to the economy and to the organization's profile being raised in the community. She is working on collaborative efforts with ResourceWest to work in tandem.

Duffy asked what requests are out of the ordinary this year. Ms. Swedberg referred to "out of the ordinary" in terms of the number of residents looking for services. She had a resident calling her the other day needing concrete steps repaired. That is the third request of that type. It is directly related to the fact that residents' budgets are strained and they know that they can get quality products from H.O.M.E. services. Unfortunately, the agency is not able to provide that service. She had requests regarding moving things, yard clean up, and diseased tree removal. All are things that impact homeowners, but that really hit the senior population hard because it can take a chunk out of their budget when living on a fixed income. The agency's reputation as a provider of other services at least leads clients to make the inquiry and staff is able to sometimes make the connection someplace else. There seems to be more requests due to raising the profile of the agency and decrease in peoples' pocket books.

Cousins asked how many services are provided to residents with low incomes. Ms. Swedberg completed a quarterly report and learned that, of the 58 Minnetonka residents served, all but 9 fell at 50 percent of poverty income or lower. By far, the majority are in the lower income categories.

Wiersum asked how the sliding fee scale works. The affordability of the services and finding someone reliable regardless of availability of funds is something that causes a lot of stress for seniors. The agency enables seniors to stay in their houses longer. He asked if services are available to seniors regardless of having a high income. Ms. Swedberg responded absolutely. Many times callers will say, "I probably make/have too much money for the program." Nobody is ever disqualified because of too much or too little money. The rate is determined by their monthly income, social security usually, or other type of trust or pension. From that, medical expenses which they pay out of pocket are deducted. The clients at the upper end of the scale pay the highest rate. The two criteria are: must be over 60 years of age and must reside in Minnetonka. The clients paying the highest rate help to underwrite the clients on the low end who cannot pay for the services. If it were not for that factor, then there would not be H.O.M.E. services for anybody.

Robinson asked if the services can be ongoing or if there is a limit. Ms. Swedberg responded that there is no limit. She did not see a situation that would cause a limit being set. Some clients have been receiving services for 15 years. It is not like a maid service. The same person comes to their home at a specified time at least once a month. The visit develops a social bond as well as providing the service. It helps with the isolation that can develop. The services improve the physical quality as well as another dimension that makes such a tremendous impact on a person's life.

Scott Zemke, director of program operations for Community Action Partnership of Suburban Hennepin (CAPSH), manages all direct client services which includes a full cycle HUD-approved housing counseling agency. CAPSH provides first-time homebuyer counseling and education for perspective homebuyers; post-purchase counseling for homeowners; reverse mortgage counseling for seniors who are house rich, but cash poor; and home rehabilitation counseling. The agency offers a number of other programs such as energy assistance, energy-related repairs, financial literacy counseling, financial literacy workshops, and supportive housing for homeless individuals in the area.

Wagner asked if energy assistance is funded separately. Mr. Zemke stated energy assistance is a self-supported program and comes from a federal grant.

Wagner asked what post-purchase counseling includes. Mr. Zemke stated it includes assisting with refinancing and explaining terms of a loan. Residents with special mortgages, considered under the antipredatory-lending legislation passed

in 2007, are required to get counseling to ensure the borrower understands the terms. CAPSH also provides rehabilitation counseling for those with issues on home maintenance.

Cousins noticed that reverse mortgage and home rehabilitation would be impacted if the funds were not obtained. She asked if the reverse mortgage would be available to low income seniors. It appeared that the agency is committed to low-income seniors. Mr. Zemke explained that anybody who is going to get a reverse mortgage on their home is required by the federal government to get reverse mortgage counseling. No one is turned away and all services are free of charge. The agency is the only one in the state that continues to offer reverse mortgage counseling at no charge. Most other agencies charge \$250. Without full funding, reverse mortgage counseling would still be available to low-income seniors.

Duffy asked if volunteers could be utilized instead of paid workers. Mr. Zemke stated that the biggest hinderence for using volunteers is due to space. There is no space within the current office configuration. Every available space is being used. He would love to be able to use volunteers if more space became available. He has individuals retired from the lending community who would volunteer. First-time homebuyer workshops do utilize lenders and realtors who volunteer their time.

Robinson asked if the agency is the west suburban counterpart to Community Action in Minneapolis and St. Paul. Mr. Zemke answered affirmatively. CAPSH services all of Hennepin County with the exception of Minneapolis.

Wiersum recalled that CAPSH was really busy last year during the foreclosure crisis. He was wondering what the workload has been for the past year. Mr. Zemke responded that it has been very busy. There are six full-time foreclosure prevention counselors in addition to two hotline staff and an administrative coordinator. He is seeing a turn from borrowers who had a subprime loan to now people who have lost their job, have medical issues, or are facing divorce.

St. Peter asked if he had contacted any of the other nonprofits, a church, or the library regarding space. Mr. Zemke stated that the organization has and also operates out of the Brooklyn Park City Hall, Earle Brown Elementary School in Brooklyn Center, and high school.

Darielle Dannen, development director of HOME Line, has also served as a volunteer, board member, and staff attorney at HOME Line. She explained that HOME Line is a nonprofit that serves the entire state of Minnesota except for Minneapolis. The agency provides free legal advocacy and educational information to tenants. In 2008, the agency served 107 Minnetonka households. People access the service by calling a tenant hotline, which advises the caller on their issue and provides information to help resolve the issue. Sometimes HOME

Line represents clients in court. HOME Line gives tenants the information they need to resolve their own landlord tenant issues. HOME Line does a lot of eviction protection and works with tenants who have landlord foreclosure issues. The agency deals with getting repairs done and a lot of education for tenant and landlord groups. To date in 2009, 133 Minnetonka households have been served. She estimated reaching 170 Minnetonka households this year. There are 3 staff attorneys in the office. One attorney focuses on foreclosure issues. The agency will have two vista volunteers this coming year. One will be an attorney and one will be a housing advocate. There is a staff housing advocate who assists people who speak Spanish. Forty to 60 volunteers work in the office. Approximately 12,000 tenants will be served this year throughout the state.

St. Peter asked if there are recurring landlord/tenant issues of which city staff should be aware. He was not aware that Minnetonka had landlord foreclosures of large, multi-unit housing. Ms. Dannen stated that landlord foreclosures tend to be single-family residences. A large number of the foreclosed single-family homes are investment properties. Somewhere around 40 percent of foreclosures are rented. HOME Line works closely with city councils if there are issues. She worked with the State of Minnesota to change some of the laws that have to do with tenants and foreclosure. It gives a tenant an informational sheet that is served by the sheriff with HOME Line's phone number. All services are provided for free.

Wiersum asked if informing tenants of their legal rights went a long way to change the power balance. Ms. Dannen responded positively. The agency provides mediation between tenants and landlords. It does not represent landlords because it would be a conflict of interest. The hope is to keep tenants out of court and from being evicted. It is not good for communities when residents are evicted.

Cathy Maes, executive director of ICA Food Shelf, stated the last year has been quite a year. She provided documents showing the 2008 to 2009 statistics. Ms. Maes stated that ICA helps residents stay in their homes with rent, mortgage, and utilities. The agency's numbers are up significantly since the last time she spoke to the EDA. ICA serves 500 to 520 households a month with food. Financial services are being provided for 50 to 55 households to the tune of \$40,000 a month. A third of the households that ICA served in the last year have never received services from ICA before. The need is really different, interesting, and sobering. ICA keeps people's lives stable. ICA keeps people in their homes with food on their tables and that is the greatest gift ICA can give at this time.

Ms. Maes stated that the second chart talks about food. It graphs the consistent increase that shows a culmination of how much ICA gives out in a month. It also includes emergency bags. In the current building, if food is received on Monday, food cannot be picked up again until Tuesday of next week. Residents may take an emergency bag to tide them over until they can receive services. The graph is

quite high, but, at the same time, full services are being provided at the same rate last year.

Wagner asked if the city's funds would be matched with other funds. Ms. Maes answered affirmatively. She explained how funds can be leveraged through other foundations. About 10 to 12 percent of ICA's financial portfolio is made up of foundations. The dollars from Minnetonka would not be just for 8 to 16 families. In one year's time, a family may receive financial assistance for their home, rent, and utilities which ranges from \$500 to \$1,500. Some families just need their lights or gas turned back on.

St. Peter noted that a number of other non-profits that named ICA as a resource. Ms. Maes said that the work could not be done without partners. The agency's pride and joy is to connect families and agencies with other services. ICA considered ResourceWest as a sister. ResourceWest's clients are their clients and vice versa. ICA sends clients to CAPSH. More food has been sent out in boxes for Sojourner and every school in the district including Hopkins and Minnetonka to social workers who need granola bars, snacks, and juices because kids need food to learn. ICA does the best that it can do to get them to provide food in different ways.

Wiersum recognized that the need is great. He asked if she saw a plateau in growth or if the need continues to grow. Ms. Maes responded that is a hard question to answer. More people could be served if the facility could be open longer or on weekends. The facility is bound by a conditional use permit to restrict its hours from 9 a.m. to 4 p.m., Monday through Friday. This limits access for the working poor. The graph shows that the need is growing, but it also means that people cannot get food for over a week and all they can get is an emergency bag. Ms. Maes noted that ICA is a true barometer of the economy. Wiersum agreed the agency is a barometer for the community. Ms. Maes acknowledged the year had been gut wrenching, but also joyful to know that people are being helped and leave with enough food to feed their kids.

St. Peter called for a recess and reconvened the meeting 10 minutes later.

Wischnack provided the results on the overhead. Each score was averaged. There is \$28,000 in CDBG funds to be dispersed.

Wagner asked what the total of the interest would be for the Livable Community funds. Wischnack recalled approximately \$80,000 in past years. The development fund was about \$55,000. She will learn the correct figure in one month.

Wiersum moved, Wagner seconded a motion to recommend that the city council provide funding as follows from the Livable Communities Fund: \$225,000 to Homes Within Reach, \$16,000 to CommonBond/Crown Ridge, and \$20,000 to

the Ridgedale YMCA/Minnetonka Heights. Cousins, Duffy, Robinson, Wagner, Wiersum, Yaeger, and St. Peter voted yes. Motion passed.

Durbin clarified for Wagner that the additional \$6,000 is a one-year commitment for Common Bond/Crown Ridge.

Wagner requested the 2009 figures be provided on the chart for comparison. Wagner has referred residents to HOME Line and received positive feedback regarding their services.

Cousins said she thought that HOME Line and CAPSH requests should be decreased by a certain percentage as she wanted ICA to receive funding closer to what it requested.

Wagner wanted it understood that ICA dollars are used for rental fees, mortgage assistance, and utility assistance. The funds are not used for food because CDBG dollars cannot be used for that.

Wiersum commented that ICA scored the highest among all of the agencies. It is interesting to note that ICA received no funding two years ago. This body has had a fundamental change in thinking on ICA in large part due to the comment made earlier. ICA is a barometer of the community and serves a lot of Minnetonka residents. Some of the prior thinking was that ICA did not need CDBG funds because it had such a broad-base of community support and other sources of funds. Based on scoring, the EDA sees ICA as a vital part of the community. ICA is important and Wagner's comment is good. CDBG funds are not for classic foodshelf spending because that is not available, but it goes to meet the needs to allow ICA to do other things.

St. Peter added that one of the policy issues talked about in other venues was encouraging the freeing up and turning over of housing to allow young families to move into the city. One of the things the SCS HOME program does is keep seniors in their houses by providing services that enable them to do that. Philosophically, it is inconsistent with positions taken in other parts of the budget. He would not arbitrarily cut them off on that basis, but it is something to look at as the EDA moves forward.

Wiersum commented the SCS HOME program is important because he believes, and had a relevant experience with his mom, that young families should be encouraged to live in the community but the city cannot turn its back on seniors that live here too. A program that enables seniors to stay in their residences is the most cost-effective alternative a senior has. When one cannot take care of the home, it creates a lot of stress on the senior. When a senior is able to stay in a house, it probably lengthens their emotional, mental, and physical viability and length of time he or she will have money without having to go on government-funded programs. The program should be encouraged within reason. His

questioned if it should get more funds than the rest on the list. Philosophically, he wants to attract young families to Minnetonka, but he wants to get them in the right way. That is not a reason to not fund the program, but he wondered if it is the most important program in terms of the amount of funding.

Duffy acknowledged it is an important program to keep seniors in their homes as long as possible and the EDA also wants to attract young families. It also has to be kept in mind the program helps to reduce some of the deferred maintenance costs if the seniors are staying in their homes longer. It will provide a home eventually when they do move out for a young family to move in that may have less maintenance costs due to the availability of SCS HOME. It does weigh in on both sides of the issue. He agreed with Wiersum that the amount does seem a little high. The funding amount should be looked at.

St. Peter made it clear that he was the only commissioner who will, in a couple months, qualify for the services of the program. It is not that it is not an important program, but the issue is looked at philosophically. He asked if advertising for the services provided by SCS HOME could be included on the city's website or *Minnetonka Memo*.

Wischnack explained promotional literature is provided for the SCS HOME program. There are a lot of property owners who cannot afford needed deferred maintenance, but the HOME program might not be the right fit for them for projects beyond the skill level of its workers. Staff is working as contractors to help get residences prepared to the point at which they are livable and help residents through the assessment process with nuisance abatements. Staff refers a lot of residents to the HOME program.

Cousins noted that all but nine clients were at 50 percent or below area median income. She wondered if there is a way to let all seniors know they are eligible to use the service.

Wischnack said the organization has a lot of exposure and is housed in the City of Minnetonka Community Center. More promotional information may make more seniors aware.

St. Peter knew there is a sliding scale, but he was not aware that any income level could utilize the service. Reaching full-pay, capable home owners would leverage their internal funds as a good way to build.

Yaeger noted that seniors with high incomes would be subsidized less, but would still be subsidized. He did not believe that the organization could make a profit on seniors who make more money to subsidize the others. That would mean selling services at more than cost. He did not want to give them \$14,000 if that is what is happening. St. Peter noted that that is part of how their subsidy model works.

Yaeger disagreed. St. Peter noted that Methodist Hospital and Park Nicollet do the same thing.

Wagner struggled with which group to cut in order to increase ICA. He was reluctant to cut HOME Line any further than what was done in the previous years because he thought there is a fair amount of rental assistance that is giving a great return for the investment. HOME Line utilizes lots of volunteer hours. ResourceWest's budget had a pretty big carry over from 2008, so he would consider reducing ResourceWest since it is closely partnered with ICA. He was less supportive of decreasing the SCS HOME program only because the city's demographics are moving in that area and compounds the deferred maintenance issues.

Cousins noted that CAPSH indicated that it would not be cutting and is committed to low-income seniors whether the reverse mortgage counseling was funded by Minnetonka or not. Wagner was not necessarily talking about CAPSH. Cousins understood. That is why she mentioned CAPSH and HOMELine. She felt there was some link, but understood that they are separate.

Wiersum felt that Option 2 is a reasonable approach. No agency is getting what it requested. His quick analysis found that \$28,000 is 70 percent of \$39,500. The point on HOME Line is a good one. ICA is not quite up to their request, but it is higher than it has been. The numbers could be modified by \$250 to \$500 here and there, but this represents a good compromise. If it were up to him, he might lower the HOME program down a little bit. Everyone is getting older and the group of people who will benefit from the program is going to increase rather than decrease. He could support the proposed allotments. Cousins and St. Peter supported this.

St. Peter calculated 81 percent of the requested amount would be provided.

Wagner moved, Wiersum seconded a motion to recommend that the city council provide funding as follows from CDBG Funds for 2010: \$12,000 for SCS HOME, \$4,000 for CAPSH, \$4,000 for ResourceWest, \$1,500 for HOME Line, \$6,500, and \$0 for Minnesota Autism Center. Cousins, Duffy, Robinson, Wagner, Wiersum, Yaeger, and St. Peter voted yes. Motion passed.

Cousins wanted to mention that ResourceWest did say this year is going to be different from last year and that they would not be having any excess funds. She did worry a little cutting what was requested.

Wagner was happy to look at an alternative. The initial desire Cousins stated was to increase ICA. Wagner did not support cutting any other agency on the list at this point.

Wiersum commented that the EDA is not doing anything different with ResourceWest than what is being done with the other agencies. The request is \$5,000 and 80 percent of the request will be provided. Each organization will receive approximately 80 percent of its request. The organizations are being treated alike.

Wischnack explained that if additional money becomes available, it will be reviewed by the EDA in March.

Duffy understood the EDA is limited at \$28,000. Maybe some consideration should be given by the city council to whether money from the general fund should be used to support the organizations. Funding from the city has been consistent, but the need has grown. St. Peter noted allocating funds needs to be included in determining the budget.

Wiersum felt it was great the Minnesota Autism Center applied for funds. He wanted the organization to feel welcome, but the program did not fit a CDBG-type grant. Autism is a terrible condition that affects a lot of people including those in his family. He did not want to appear cavalier to that organization because it was not a matter of the agency not being worthy, but, in terms of what CDBG represents and the desire for economic development and reaching out to low and modest income people, the proposal did not meet CDBG qualifications. St. Peter added that if the application had been presented as a scholarship program or special program target at disadvantaged clients, it would have fit the definition of a CDBG-qualified expenditure.

5. STAFF REPORT

Durbin gave the staff report.

The light rail station area study is being completed, and the report is being finalized. EDA commissioners will receive a copy when it is completed.

Southwest Transitway DEIS Policy Advisory Committee made a big decision to recommend to the Hennepin County Regional Rail Authority on the locally-preferred alternative of Route 3A which runs from the Golden Triangle of Eden Prairie, up through Opus in Minnetonka, and follows Hennepin County alignment into Minneapolis. Tomorrow a public hearing will be held downtown. The vote will occur November 4, 2009. Then the Metropolitan Council will make a decision and apply for new starts which will allow the project to begin preliminary engineering.

Wagner mentioned debate regarding the more controversial route through Uptown. Route 3A meets more of the capital cost guidelines that the federal government requires adherence to in order to get funding. Integrating Uptown's midtown corridor and Hiawatha via some sort of rail linkage between the two lines was discussed.

Duffy agreed. Over the 8 years of public hearings and meetings, it came down to a final decision that will serve everyone well, but not satisfy everyone's needs. The right decision was made and he hopes the Hennepin County Commissioners approve the recommendation and move it forward. Wagner concurred. Wagner stated that there are a lot of items that are not as intuitive as they would seem. It will be a great route for Minnetonka and for the neighboring communities so he hoped it would be approved.

Durbin announced that environmental health staff is moving forward with the property owner of the former Cattle Company site to deal with an abatement issue. Wischnack noted that the city is trying to avoid the hazardous building action process. It could take until next summer if everything in the court process went well. Bids are coming in at \$75,000 to take down the building.

Durbin announced that the sensible land use program will occur October 28, 2009 and a meeting regarding the Highway 169 and Bren Road interchange will be held October 29, 2009 from 5 p.m. to 6:30 p.m. Wischnack noted that all of the business owners in Opus received a notice to talk about the financing mechanism for the interchange. This has to do with a trip generation ordinance. St. Peter asked if tenants of Opus also received the notice. Wischnack clarified that both occupant and taxpayer were sent a notice. Some of the condominium owners were also notified. Wischnack noted that this is not a special assessment. In fact, the message is the proposal would only impact a building if it is expanded.

Duffy mentioned that he contacted state legislators in an effort to revitalize the "This Old Home" program. He will keep everyone posted.

6. OTHER BUSINESS

The next regular EDA meeting will be Monday, November 30, 2009.

7. ADJOURN

Wiersum moved, Wagner seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:29 p.m.